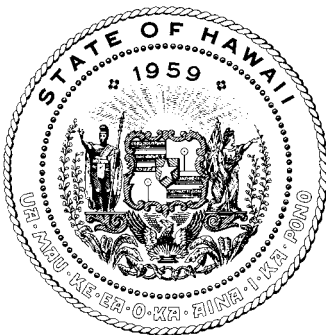


**ANNUAL REPORT TO THE TWENTY-SECOND LEGISLATURE
STATE OF HAWAII
REGULAR SESSION OF 2003**

**ON THE STATUS OF THE PROGRAM FOR
ENVIRONMENTALLY-THEMED PRODUCTS
TO SUPPORT THE ENVIRONMENT
ESTABLISHED UNDER HRS §195D-5.5**



Prepared by

**THE STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF FORESTRY AND WILDLIFE**

In response to Section 195D-5.5, Hawaii Revised Statutes

Honolulu, Hawaii
November, 2002

ANNUAL REPORT ON THE STATUS OF THE PROGRAM FOR ENVIRONMENTALLY-THEMED PRODUCTS TO SUPPORT THE ENVIRONMENT

PURPOSE

Act 186, Session Laws of Hawaii 2002, amended the State Endangered Species Act, Chapter 195D, Hawaii Revised Statutes (HRS) to establish a program to financially benefit the environment by the development of environmentally-themed products such as collectible stamps, credit cards, and coins to be sold to the public. One of the provisions of that Act (§195D-5.5(d), HRS), required that an annual report be prepared by the Department of Land and Natural Resources (DLNR) of the program's products, costs, and revenues to be submitted to the legislature no later than twenty days before the convening of each regular session. This annual report is submitted to fulfill the reporting requirement for the period July, 2002-November 2002.

FINDINGS

The program has just begun and is in its early stages of development. The Department has issued a Request for Proposals for vendors interested in developing and marketing collectibles associated with the 2003 Year of the Hawaiian Forest centennial celebration. Two vendors have responded and the Department has reached a marketing agreement for the production of a Year of the Hawaiian Forest calendar and a Year of the Hawaiian Forest commemorative coin. Sales of the calendar began on November 20, 2002 and the first revenue into the program is expected in January, 2003 (Table 1). The revenue will be deposited into the Endangered Species Trust Fund, (S-03-324) and be used for projects to manage watersheds and native forests.

DLNR's Division of Forestry and Wildlife has issued press releases and made information available on its webpage at www.dofaw.net about the availability of the products and information for vendors that want to get involved. Additional products will be developed as word of the program spreads and new vendors are identified.

Table 1. List of Environmentally-Themed Products to Benefit the Environment						
Item No.	Product Description	Date Produced	Number Produced	Production Cost	Revenue to Program	Program Profit
1.	Hawaiian Year of the Forest Calendar	10/20/2002	100	\$500	Pending	Pending
2.	Hawaiian Year of the Forest Collectible Coin	Pending				

RECOMMENDATIONS

This program has great potential to generate public support and interest in the environment and to provide a new source of revenue for environmental restoration programs. The revenue generated goes into the Endangered Species Trust Fund (S-03-324). This Fund, like other special funds, is subject to central services and administrative costs. A major source of revenue for the Trust Fund is expected to be proceeds from the sale of environmentally themed products such as endangered species stamps, posters, books, etc., sold to the public to raise money for conservation of Hawaii's resources. The private sector contributors to the Trust Fund have expectations that moneys from the Trust Fund will be available in the future for the intended purposes. The Department recommends exempting this Fund from central service and administrative costs under sections 36-27 and 36-30, HRS, respectively, to encourage greater public and private sector participation and provide more funds for environmental programs.